Teck

PROGRESS REPORT NO. 75

TO: Dr. Laura Buelow – U.S. Environmental Protection Agency (EPA) - via Email

Matt Wilkening - U.S. Environmental Protection Agency (EPA) - via Email

FROM: Marko Adzic – Teck American Incorporated (TAI)

DATE: October 10, 2012 FILE NO: 01-773180-000

RE: Upper Columbia River (UCR) Remedial Investigation/Feasibility Study

(RI/FS) - Progress Report No. 75 Month Ending September 2012

Pursuant to Paragraph 39 of the June 2, 2006 Settlement Agreement (Agreement), the following is intended to provide a summary of activities completed during the past month in compliance with the aforementioned Agreement. It is also intended to provide a brief summary of pending and on-going activities.

On the 10th of September, TAI provided written notice disputing EPA Specific Comments (SCs) -11, -12, -28, -29, -30, and -38 in their entirety or portions thereof on the draft final quality assurance project plan for the Phase 2 Sediment Study. A resolution meeting was conducted on the 20th of September in Boise, Idaho at which time, EPA and TAI resolved five of the six disputed comments. Although a resolution on SC-28 was not reached at that time, an option was presented that required additional review and consideration by EPA. Since the aforementioned resolution meeting EPA and TAI have in principle, resolved SC-28.

Specifically and as discussed on October 2, 2012 it was mutually understood and agreed that EPA would not be requiring splits on 100 percent of the proposed bioassay sampling locations. Rather, in addition to the 15 percent of quality assurance/quality control (QA/QC) samples for geochemical analysis, EPA would require splits on 50 percent of the bioassay stations (i.e., 5 samples) on Site sediments collected from bioassay sampling stations located north of the confluence of Onion Creek. Standard bioassay testing would be performed on these QA/QC samples preferably at either EPA's Duluth laboratory or the U.S. Army Corps of Engineers laboratory (depending on availability at the time of testing¹). Presently, EPA and TAI continue to work cooperatively in recording the resolutions reached on the 20th of September (see Photo 1 below) and the 2nd of October.

¹ Should EPA's preferred bioassay laboratory (e.g., Duluth) be unable to perform the work, other commercial laboratories being considered include: Northwestern Aquatic Sciences, Nautilus



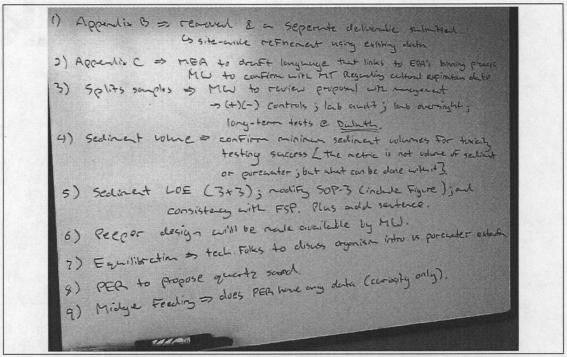


Photo 1. A summary of resolutions and technical discussions recorded on September 20, 2012 in Boise, ID.

Consistent with the direction outlined within TAI's September 10, 2012 correspondence, a revised draft final quality assurance project plan for the Phase 2 Sediment Study was submitted on September 23, 2012. As acknowledged on September 20th, the revised draft final quality assurance project plan could not incorporate resolutions reached on the 20th of September. However, to ensure that the terms and conditions of the Agreement are wholly satisfied, it was agreed that TAI would submit the revised document on or before the due date (September 26, 2012), and that EPA would not review it.

Permits/permission for Phase 2 sediment sampling activities as outlined within the draft final quality assurance project plan have been received from the Spokane Tribe of Indians and the Canadian Government (i.e., Natural Resources Canada). The National Park Service has refused to review TAI's September 11, 2012 Special Use Permit application and has requested that a new application be submitted when an EPA-approved quality assurance project plan is attained. A research permit application was submitted to the Confederated Tribes of the Colville Reservation on the 14th of August. As of this day, no response has been received on this matter from the Confederated Tribes of the Colville Reservation.

Definitive timelines for the submission of draft reports associated with white sturgeon toxicity studies have not been determined. TAI will continue to work cooperatively with

Environmental, Block Environmental Services, Newfields Northwest, AECOM Environment, CH2M Hill Applied Sciences laboratory, and Great Lakes Environmental Center.

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EPA in evaluating and determining appropriate schedules for the submission of the aforementioned draft reports.

Should you have any questions or require any additional information, please do not hesitate to contact me at 509-623-4585.